



First National Bank

and Trust Company of Ardmore, Oklahoma

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March 23, 2004

Ms. Jennifer J. Johnson
Secretary, Board of Governors
Federal Reserve System
20th and Constitution Avenue NW
Washington DC 20551

RE: FRB DOCKET #R-1167-REGULATION Z
FRB DOCKET #R-1168-REGULATION B
FRB DOCKET #R-1169-REGULATION E
FRB DOCKET #R-1170-REGULATION M
FRB DOCKET #R-1171-REGULATION DD
Clear and conspicuous requirements

Dear Ms. Johnson:

Thank you for the opportunity to comment on the above-referenced regulatory proposals.

As President/CEO and compliance officer, we agree with the Federal Reserve Board that disclosures should be in clear and readily understandable language for consumers to read. The wording should be consistent throughout the financial system to provide the consumer a way to make an informed decision as to which institution will provide them the services they may require.

However, please consider the following issues we have with the proposals.

- **Requirements are unclear.** Terms such as “everyday words” “legal terminology” “explanations that are imprecise” are unclear, especially with regard to complicated disclosures typical of Regulation Z. The subjectivity of the proposal could invite lawsuits as well as second-guessing by examiners.
- **The proposals will impose an expensive regulatory burden.** Under the proposal, banks will have to review every disclosure required by the above regulations and determine whether bullet points should be added, margins widened or line spacing adjusted. Again, this is very subjective. Also, the requirements related to font size, margin size, headings, and bullets would drastically increase the length of the disclosures, adding new costs.
- **The revised disclosures may be less helpful to consumers.** Because the requirements will lengthen the disclosures, in some cases, by pages, consumers will be less inclined to review them.

405 West Main Street Ardmore, Oklahoma 73401

Phone: 580.223.1111

Fax: 580.221.1139

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- **The regulations affected by the proposal are different from Regulation P and are not suited to this approach.** Regulation P requires generic disclosures that are not specific to any particular transaction or disclosure. A single disclosure, once completed, typically applies to all of the institution's account, so compliance is much simpler. Applying the same standard to the plethora of various disclosures in the other regulations presents a very different project.
- **The Board has not identified a problem with existing regulations and disclosures to justify the compliance burden and potential liability.** Explanation of the proposals' purpose is twofold: facilitate compliance and ensure consumers understand the disclosures. While generally, banks appreciate consistency among regulations to make compliance easier, it is not justified or workable in this case. Addressing the second purpose, we don't find any examples or explanations of where the current disclosures are confusing or unclear. If they exist, we feel they should be identified and addressed specifically.

Again, thank you for the opportunity to comment on these proposals.

Sincerely,

First National Bank & Trust Company of Ardmore

Curtis Davidson
President/CEO

Laura Kidd
AVP & Compliance Officer